

## Tax Impacts of C-SC & HS

Taxation and the rising cost of government services are a continuing concern for all of us. With the uncertain landscape of taxation at the state and federal levels, it is important to recognize the impact that local property taxes have on citizens. Town Administration is recommending that \$500,000 be applied in FY 2014 to offset the costs of the debt exclusion on Natick taxpayers, which is significantly more than applied in the current fiscal year. The chart below shows the impact of applying that amount on the estimated FY 2014 tax bills.

The Town has the good fortune of restored reserves and unspent free cash at this point in time. Several questions have been raised why the subsidy is not larger to give citizens more tax relief. Although this suggestion was considered, Town Administration does not recommend more money be dedicated in FY 2014 to reducing the cost to taxpayers for the projects. This is for a couple of reasons. First, the budget still has a significant but not insurmountable budget deficit to overcome. Second, The goal of subsidizing the debt exclusion costs has been and continues to be to create a sustainable and predictable pattern of financial management and taxation. A large subsidy this year cannot be sustained year over year as it is being afforded through the application of one-time resources. We recommend that the sum of \$500K be applied for next year and it is our sincere hope to continue to apply like sums in the future should we be fortunate enough to have positive year-end funds balances like in the last several years.

FY	Amount of Subsidy	Debt Exclusion Amount	Total Tax Levy	Total Equalized Value	Tax Rate	Average Single-Family Home	Tax Bill
2012	Nothing	\$ 4,924,076	\$ 86,455,318	\$ 6,215,335,586	\$ 13.91	\$ 432,400	\$ 6,014.68
2013	Nothing	\$ 4,876,552	\$ 89,431,695	\$ 6,228,971,060	\$ 14.36	\$ 433,400	\$ 6,222.49
2013	\$108K	\$ 4,768,302	\$ 89,323,445	\$ 6,228,971,060	\$ 14.34	\$ 433,400	\$ 6,214.96
Impact of current subsidy (\$108,250) for single family home in FY 2013:							\$ 7.53
2014	Nothing	\$ 4,770,411	\$ 92,304,040	\$ 6,228,971,060	\$ 14.82	\$ 432,400	\$ 6,407.52
	\$500K	\$ 4,270,411	\$ 91,804,040	\$ 6,228,971,060	\$ 14.74	\$ 432,400	\$ 6,372.81
	\$1,000K	\$ 3,770,411	\$ 91,304,040	\$ 6,228,971,060	\$ 14.66	\$ 432,400	\$ 6,338.10
	\$1,500K	\$ 3,270,411	\$ 90,804,040	\$ 6,228,971,060	\$ 14.58	\$ 432,400	\$ 6,303.40
	\$2,000K	\$ 2,770,411	\$ 90,304,040	\$ 6,228,971,060	\$ 14.50	\$ 432,400	\$ 6,268.69
Impact of \$500K subsidy for single family home in FY 2014:							\$ 34.71

### Notes:

FY 2014 assumes NO change in equalized value or value of average single-family home.